



American Academy of Pediatrics



STATEMENT

Marsha Raulerson, MD, FAAP

Practicing Pediatrician

Representing the

AMERICAN ACADEMY OF PEDIATRICS

Submitted for the Record of the Hearing Before the
United States House Energy and Commerce Committee

April 3, 2008

The Medicaid Safety Net

Thank you very much, Mr. Chairman and Members of the Committee. I am honored to represent the American Academy of Pediatrics and its 60,000 primary care pediatricians, pediatric medical subspecialists, and surgical specialists before you today. The Academy is committed to the attainment of optimal physical, mental and social health and well-being for all infants, children, adolescents, and young adults.

I am Marsha Raulerson, MD, FAAP, and I have been a practicing pediatrician in Brewton, AL, since 1981. In the 2000 census, Brewton had a population of 5,498. The largest close city is Pensacola, FL and the closest Alabama hospital specializing in children is 90 miles away in Mobile. Brewton is located in the piney woods of Alabama and its major industry is pulp wood.

My practice, Lower Alabama Pediatrics, is 70% Medicaid and we do our best to provide a medical home to all of the children we can reach. Last year, I did not break even in my practice because Medicaid patients require so many services and payments are so low. I had to dip into my own savings to keep my practice afloat. Nevertheless, I believe that I have a calling to provide these services to this population, many of whom are children who have severe and long lasting health needs.

The Academy has endorsed HR 5613, because the neediest children will benefit from a delay in these regulations. The timing of these regulations could not be worse – just as the country tries to weather the storm of a significant economic downturn, the Executive Branch is trying to cut its federal support to states. Children, and especially the most vulnerable children with special health care needs, must not be thrown overboard.

Medicaid

Every child, regardless of health status, requires health insurance. Research has consistently shown the important role that health coverage plays in children's access to and use of health care services and attainment of positive health outcomes. Medicaid is a vital component of the American health and social safety net, particularly for low-income children and children with special health care needs. Medicaid benefits should be protected to ensure the health and well-being of millions of children.

The Academy and its members have made a strong commitment to the Medicaid program. In general, pediatricians serve more Medicaid patients than do other primary care physicians. On average, 30% of a pediatrician's patients are covered by Medicaid, illustrating the commitment of pediatricians to ensure that Medicaid-insured children have access to a medical home. However, due to low reimbursement levels of Medicaid and high overhead costs of pediatricians' offices, that percentage is decreasing. Mr. Chairman, there's a saying among pediatricians – when the going gets tough, Medicaid kids get decapitated. By this we mean that "above the neck" services Medicaid enrollees are entitled to – like vision, hearing, speech therapy and dental – become less and less accessible.

State and federal budget deficits threaten to undo gains just when demand for these programs is increasing. Not since World War II have states faced worse financial crises. States are confronting difficult decisions: whether to bypass entitled eligibility, limit outreach, restrict or eliminate benefits, cut provider payments, or alter policy through waivers. In 2003, all 50 states

implemented cost-containment strategies. During this downturn, children are very likely to be affected by state Medicaid budget shortfalls

During the last economic downturn, you addressed states' Medicaid challenges through an increase in the Federal Medical Assistance Percentage (FMAP). Congress has not been successful in passing another FMAP increase, even though it is highly warranted in the opinion of the Academy. Medicaid has also been changed recently at the federal level by the implementation of major program reforms that will make it harder for needy children to access care. These rules, implemented through passage of the Deficit Reduction Act, grant states more flexibility in changing Medicaid programs without waivers, allow states to alter eligibility requirements, cut benefits to optional Medicaid eligibility groups, and implement cost sharing.

These actions and others taken by CMS have done significant damage to children in states. But predictably, the Centers for Medicare and Medicaid Services has taken the instructions you gave them under the DRA and significantly expanded their negative impact on children, often in direct contravention of Congress's express guidance. CMS continues to exceed its authority and I urge you, on behalf of the Academy, to remind them of their role as an implementer of the statutes that you pass, not a loose cannon which may not make law on its own.

Case Management at Lower Alabama Pediatrics

One of the regulations you are considering would deny Medicaid payment for multiple case managers. I have seen the benefits that multiple case managers have brought to my patients. In my practice, I care for many special needs children and some foster children who need multiple case management services. Children on Medicaid are entitled to these services, and they aren't just statistics, but are like the patients that I care for back in Brewton. One such child is named Consia. Consia was playing in her parents' mobile home while her father installed new linoleum flooring in its kitchen. Unfortunately, the stove was not disconnected and the new flooring materials blew up. Consia survived, but had burns over much of her body.

Her parents could not pay for her health needs. Thanks to the multiple case managers paid for by Medicaid, Consia is now attending college. She has also learned how to use a computer even though she has permanent contractures of both hands.

It is almost certain that Consia would not have been able to have a job and get an education except for the case management services she received under Medicaid. Thanks to Medicaid's Early and Periodic Screening, Diagnostic and Treatment Program, Consia will receive an education, and become a taxpaying member of society.

Foster Care Children

Children in foster care also require comprehensive case management services. I presently serve on Alabama's Quality Assurance Committee for the Escambia County Department of Human Resources. We review an individual service plan for one child touched by the foster care system every month. Usually these children are in need of significant services including home care, mental health services, and after-school programs. They are at risk for long-term physical and mental illness as a result of their disrupted lives. They may not have their immunizations, they may not have ever had a vision test, or they may be depressed or extremely anxious. Anxiety in

children is rampant in the foster care system because they are afraid someone may come in and remove them from their home again. While in the care of his family, one of the foster children that I cared for suffered from severe physical punishment for bed-wetting, would go hungry for days and frequently missed school because no one was home. In spite of this, while he was in Foster care he and his younger brother would run away to try to return to his abusive family. Twenty years ago we did not have the services that this child needed, and as a result he has grown up to have a serious mental illness. His younger brother, however, benefited from early intervention, and is doing well working as a brick mason.

Finally, I would like to tell you about a child who is only four months old. Her name is Shakira. Two weeks ago she came to our office for her EPSDT screening and immunizations. She was smiling and cooing and seemed to be a healthy infant. My Physician's Assistant asked the mom if she had any concerns about her baby. The mom stated that Shakira's tummy seemed big. After palpating what seemed to be a large liver, the PA, Ms. Guthrie, called me to the exam room. What I found was a very worrisome mass on the right side of her abdomen extending to the midline. Liver function tests were normal but an ultrasound confirmed a tumor in the liver. I immediately called the pediatric surgeon on call at The Children's Hospital of Alabama in Birmingham. He did not ask me what kind of insurance she had—he arranged to see her then. Saturday March 30th little Shakira had her first chemotherapy for an hepatoblastoma—a rare cancer in her liver. This child is going to need many services from Medicaid including chemotherapy, surgery, transportation (she is 200 miles from home), and case management to see that she gets the care she so desperately needs.

The CMS interim rule curtailing federal financial participation for targeted case management could potentially derail a program I have worked with to provide psychiatric services to children in rural Alabama. Four years ago with the help of the AAP CATCH (Community Access to Child Health) Program, I received a small grant to work with the local schools, juvenile court, the Mental Health Center and Dr. Tom Vaughan, a child psychiatrist in Birmingham. Using telemedicine, we have provided care for more than 100 children with mental illness. An integral service as part of this program has been utilizing a case manager who can see the child at school, go to the home, and arrange for emergency in-patient care which is rarely needed.

I also have many special-needs children in my practice who are attending public schools and are making progress. While at school they may need a variety of health services including use of a feeding tube, physical therapy, medications, in-and-out catheterization, and monitoring for seizures. The CMS regulations prohibit Medicaid from paying school employees for administering these services.

Rehabilitative Services at Lower Alabama Pediatrics

Another regulation you are considering would limit access to rehabilitation services for vulnerable children who are enrolled in Medicaid. One patient of mine has benefited tremendously from the rehabilitative services provided by Medicaid. Rebecca Ann is now four and a half years old, but was born with a strawberry patch on her face. This hemangioma grew so large that it abruptly closed her windpipe. She had to be lifeflighted to Mobile where she had an emergency tracheostomy. As a result, she needed round the clock care seven days a week for most of her first two years. Her mother quit her job as an engineer to provide much of this care,

and eventually Rebecca Ann's care required that she go to Boston Children's Hospital on two occasions to receive services. Rebecca Ann also required intensive rehabilitation for the most critical first year of her life, and without these services, she would not have become the wonderful kindergartner that she is today.

I believe that Rebecca Ann's progress was due to the fact that she learned sign language while she had a tracheostomy. Very quickly after the tracheostomy was removed, she started speaking and she has no significant developmental delays. Her progress has been a real miracle. In fact, she recently scored one year ahead of other children her age in verbal skills. Her mother is back at work.

Please delay these regulations for Consia , Rebecca Ann, Shakira, and all the other children in Brewton who depend on us, the adults. I challenge you to stand up to the Administration on behalf of these children.

Conclusion

The Academy strongly supports HR 5613. We commend the courageous wisdom of Chairman Dingell and Congressman Murphy in calling a halt to the implementation of these regulations. Congress must ensure that no child who is currently covered under Medicaid loses his or her access to care as a result of these administrative actions. Support for HR 5613, introduced by Chairman Dingell and Congressman Murphy is needed to place a moratorium on these proposed regulations.